



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

DEC 11 2013

William J. McGinley, Esq.  
Patton Boggs LLP  
2550 M Street, NW  
Washington, D.C. 200037

RE: MUR 6654  
Obsitnik for Congress, Inc.

Dear Mr. McGinley:

On October 4, 2012, the Federal Election Commission notified your clients, Obsitnik for Congress, Inc. and Bradley Crate in his official capacity as treasurer, of a complaint alleging violations of certain sections of the Commission's Regulations. A copy of the complaint was forwarded to your clients at that time.

Upon further review of the allegations contained in the complaint, and information supplied by your clients, the Commission, on December 3, 2013, voted to dismiss this matter. The Factual and Legal Analysis, which more fully explains the Commission's decision, is enclosed for your information.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70426 (Dec. 18, 2003) and Statement of Policy Regarding Placing First General Counsel's Reports on the Public Record, 74 Fed. Reg. 66132 (Dec. 14, 2009)

If you have any questions, please contact Marianne Abely, the attorney assigned to this matter, at (202) 694-1650.

Sincerely,

Peter G. Blumberg  
Assistant General Counsel

Enclosure  
Factual and Legal Analysis

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# FEDERAL ELECTION COMMISSION

## FACTUAL AND LEGAL ANALYSIS

RESPONDENTS: Obsitnik for Congress, Inc. and  
Bradley Crate in his official capacity as treasurer

MUR 6654

### I. INTRODUCTION

This matter was generated by a complaint filed with the Federal Election Commission by the Democratic Party of Connecticut alleging violations of the Commission's regulations by Obsitnik for Congress, Inc. and Bradley Crate in his official capacity as treasurer.

### II. FACTUAL AND LEGAL ANALYSIS

Obsitnik for Congress, Inc. ("Obsitnik Committee") participated in a fundraising event in Darien, Connecticut on the evening of September 18, 2012 ("event"). Complainant alleges that this was a joint fundraising event and that Obsitnik for Congress violated 11 C.F.R. § 102.17 by failing to comply with Commission regulations regarding joint fundraising.<sup>1</sup> Specifically, the Complaint asserts that Respondents failed to (1) establish a joint fundraising committee for the purpose of administering the event and (2) provide the appropriate joint fundraising notice to prospective donors in the event invitation.<sup>2</sup>

In 2012, Andrew Roraback and Steve Obsitnik were the Republican nominees in adjacent Connecticut Congressional districts — Roraback in the 5th Congressional District and Obsitnik in the 4th Congressional District. On September 18, 2012, a fundraising event was held at the Darien, Connecticut residence of Mac and Cynthia Brighton.<sup>3</sup> The invitation describes the event as a "cocktail reception" to support "U.S. CONGRESS CANDIDATES STEVE OBSITNIK, FOURTH

<sup>1</sup> Joint fundraising is election-related fundraising conducted jointly by a political committee and one or more other political committees or unregistered organizations. 11 C.F.R. § 102.17(a)(1)(i).

<sup>2</sup> Compl. at 1; 11 C.F.R. § 102.17(a)-(c).

<sup>3</sup> Compl., Ex. A.

14044350946

MUR 6654  
Obsitnik for Congress, Inc.  
Factual and Legal Analysis

CONGRESSIONAL DISTRICT & ANDREW RORABACK, FIFTH CONGRESSIONAL DISTRICT.”<sup>4</sup> The first page features the logos of the Roraback and Obsitnik campaigns at the top followed by a list of the evening’s hosts, which included former state senator and 2010 Republican candidate for the 4th Congressional district Dan DeBicella, and 16 office holders and party officials.<sup>5</sup> In addition to providing the date, time, and location of the event, the invitation states that the “[s]UGGESTED CONTRIBUTION IS \$500 PER CANDIDATE (\$1,000 TOTAL).” Invitees are advised to respond by telephone or via e-mail to Ali Almour.<sup>6</sup> A box at the bottom of the invitation contains the following disclaimer: “PAID FOR BY OBSITNIK FOR CONGRESS & RORABACK FOR CONGRESS.”<sup>7</sup>

The invitation also includes a response form, with the names of the two Committees in bold at the top of the form. Invitees were asked to check off a box if they were attending the event and indicate the amount of their contribution: “\$\_\_\_ FOR \_\_\_ RESERVATIONS AT \$500 FOR OBSITNIK FOR CONGRESS AND \$500 FOR RORABACK FOR CONGRESS (COMBINED \$1,000 PER PERSON).”<sup>8</sup> The response form directs invitees to make contribution checks directly payable to Obsitnik for Congress or Roraback for Congress and provides a separate address for each

<sup>4</sup> A second invitation to the event is attached to the Complaint as Exhibit B. This invitation is identical to the joint invitation found at Exhibit A, except that it references only candidate Obsitnik and does not include a response form. (It is unlikely that this particular version of Exhibit B was ever distributed as it contains a typographical error.) The Complaint alleges that in response to press inquiries regarding whether the Roraback and Obsitnik Committees were holding a joint fundraiser in violation of Commission regulations, each Committee attempted to conceal their actions by subsequently issuing separate invitations that did not reference the other joint participant. According to the Complaint, Exhibit B may be one of these invitations. Compl. at 2. The Obsitnik Committee does not address this particular allegation or Exhibit B.

<sup>5</sup> Compl., Ex. A.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

14044350947

MUR 6654  
Obsitnik for Congress, Inc.  
Factual and Legal Analysis

campaign.<sup>9</sup> The response form concludes with the disclaimer "PAID FOR BY OBSITNIK FOR CONGRESS AND RORABACK FOR CONGRESS."<sup>10</sup>

The record does not reflect how many invitations were distributed or how many individuals responded with contributions or attended the event, although the Obsitnik Committee stated that each campaign raised approximately \$11,000 in connection with the fundraiser.<sup>11</sup> Disclosure reports indicate that 14 individuals made contributions in amounts between \$500 and \$1,500 (totaling \$20,500) to the Obsitnik Committee and the Roraback Committee on the day of, or within several days of, the event.<sup>12</sup> Eleven of these contributors, including Mac Brighton and the event host Dave Debicella, each gave the same amount of money to both the Obsitnik Committee and the Roraback Committee on the same dates (either September 18 or 19, 2012).<sup>13</sup> The Obsitnik Committee reported net contributions of \$408,726.96 on its 2012 October Quarterly Report.

Although the event invitation and response card have a disclaimer indicating that both committees paid for the invitation, it appears that the event was conducted with minimal expenses, and most expenses were incurred by the Brightons. According to the Obsitnik Committee, the Brightons used personal funds to pay for event costs, including food and

<sup>9</sup> *Id.* Contributors opting to make their donation by credit card are asked to provide the amount to be charged, card number/expiration date, and signature in a separate box. The response form also requests that contributors whose contributions exceed \$200 provide his/her name, address, occupation, and contact information. *Id.*

<sup>10</sup> *Id.*

<sup>11</sup> Obsitnik Committee Resp. at 2.

<sup>12</sup> See Roraback Committee 2012 October Quarterly Report at Schedule A; Obsitnik Committee 2012 October Quarterly Report at Schedule A.

<sup>13</sup> See Roraback Committee 2012 October Quarterly Report at Schedule A at 17, 35; Obsitnik Committee October Quarterly Report at Schedule A at 20, 37.

14044350948

MUR 6654  
Obsitnik for Congress, Inc.  
Factual and Legal Analysis

beverages, catering staff, and flowers.<sup>14</sup> The Obsitnik Committee states that the Brightons' food and beverage costs did not exceed \$1,000, and the catering staff and flowers cost approximately \$650.<sup>15</sup> Logistics for the event were handled by the Obsitnik Committee's fundraising consultant, Alexandra Almour of Tusk Productions, LLC ("Tusk"). Almour produced and distributed (via e-mail) the event invitation and served as the contact person for event attendees and the two participating committees.<sup>16</sup>

The Obsitnik Committee admits that the campaign paid for Almour's services, but does state not how much money it paid her for this specific event.<sup>17</sup> The Obsitnik Committee's disclosure reports reflect three payments to Almour during the general election period: \$5,000 on August 14, 2012, for "fundraising consulting"; \$2,071.93 for "in-kind printing and design services" as well as a "contribution refund" for the same amount on September 4, 2012; and \$5,140.71 on October 10, 2012, for "fundraising consulting."<sup>18</sup> There is insufficient information to indicate which, if any, of these disbursements were made in connection with the event.

Respondent denies that the event was a joint fundraiser conducted in violation of section 102.17.<sup>19</sup> The Obsitnik Committee describes the cocktail reception as a "small, grassroots

<sup>14</sup> Obsitnik Committee Resp. at 2.

<sup>15</sup> The Obsitnik Committee notes that the \$650 spent on the flowers and catering was well below the \$2,500 per election contribution limit for individuals and the \$2,000 limit per election contribution limit between authorized committees. Obsitnik Committee Resp. at 2; 2 U.S.C. §§ 441a(a)(1), 432(e)(3)(B). Mac Brighton contributed \$500 to the Obsitnik Committee on September 18, 2012, and \$500 to the Roraback Committee on September 19, 2012. There is no indication that the \$650 the Brightons spent on flowers or the catering staff was reported as an in-kind contribution by the Obsitnik Committee nor is the amount reflected on any disclosure report as a contribution from the Obsitnik Committee to the Roraback Committee.

<sup>16</sup> Compl., Ex. A; Obsitnik Committee Supp. Resp. at 1 (May 2, 2013).

<sup>17</sup> Obsitnik Committee Supp. Resp. at 1.

<sup>18</sup> See 2012 October Quarterly Report at 157, 158, 232; 2012 Pre-General Report at 41.

<sup>19</sup> Obsitnik Committee Resp. at 1-2.

14044350949

MUR 6654  
Obsitnik for Congress, Inc.  
Factual and Legal Analysis

fundraiser."<sup>20</sup> It argues that the event is covered by the "volunteer exception" for campaign related activity because the Brightons held the event in their residence and used personal funds to pay the *de minimis* costs associated with providing food and beverages at the event.<sup>21</sup> The Obsitnik Committee asserts that the Committees did not "share costs or allocate proceeds" in connection with the event and states that attendees wrote checks directly to each campaign.<sup>22</sup> The Obsitnik Committee asks the Commission to dismiss this matter because the event was allegedly a small, one-time event where the receipts were collected and screened separately and that did not prevent disclosure or enhance the chance of one of the Committees receiving unlawful contributions.<sup>23</sup>

The Commission has determined that, because of the low dollar amounts involved, it is appropriate to dismiss the Complaint. If political committees engage in joint fundraising efforts pursuant to the provisions set forth in 11 C.F.R. § 102.17, they must either establish a separate committee or designate a participating committee as the fundraising representative.<sup>24</sup> The regulations also require that participating committees must enter into a written agreement that identifies the fundraising representative and states the formula for the allocation of fundraising proceeds, and also include a joint fundraising notice with every solicitation for contributions.<sup>25</sup>

<sup>20</sup> Obsitnik Committee Resp. at 1.

<sup>21</sup> *Id.* at 2. The term "contribution" or "expenditure" does not include the cost of invitations, food and beverages where such items are voluntarily provided by an individual volunteering personal services on the individual's residential premises. The aggregate value of such invitations, food and beverages provided by the individual on behalf of the candidate may not exceed \$1,000 with respect to any single election. 2 U.S.C. § 431(8)(B)(ii); 11 C.F.R. §§ 100.77, 100.137.

<sup>22</sup> *Id.* at 2.

<sup>23</sup> *Id.*

<sup>24</sup> 11 C.F.R. § 102.17(a)(1)(i).

<sup>25</sup> 11 C.F.R. § 102.17(c)(1), (c)(2)(i).

14044350950

MUR 6654  
Obsitnik for Congress, Inc.  
Factual and Legal Analysis

Furthermore, joint fundraising participants or the fundraising representative shall establish a separate depository account to be used solely for the receipt and disbursement of the joint fundraising proceeds.<sup>26</sup> Gross proceeds as well as expenses and the distribution of net proceeds from joint fundraising efforts are to be allocated according to the formula provided in the written agreement.<sup>27</sup>

Here, the Obsitnik Committee did not establish or designate a joint fundraising committee, did not provide the required joint fundraising notice, did not enter into a shared written agreement or determine an allocation formula.<sup>28</sup> However, it appears the event at issue was both conducted with minimal expense and generated only a small amount in contributions.<sup>29</sup> Furthermore, there also appears to have been no shared receipts, eliminating concerns over any possible misallocation of proceeds from the fundraiser. Therefore, even if the participating committees had reported the joint costs through a joint fundraising representative, the costs were *de minimis*.

Accordingly, the Commission exercised its prosecutorial discretion pursuant to *Heckler v. Chaney*, 470 U.S. 821 (1985), and dismissed the allegation that Obsitnik for Congress, Inc. violated 11 C.F.R. § 102.17 by failing to adhere to the Commission's regulations pertaining to joint fundraising.

<sup>26</sup> 11 C.F.R. § 102.17(c)(3)(i).

<sup>27</sup> 11 C.F.R. § 102.17(C)(6)-(7).

<sup>28</sup> See 11 C.F.R. § 102.17(c).

<sup>29</sup> The two committees each raised approximately \$11,500 from the event.